

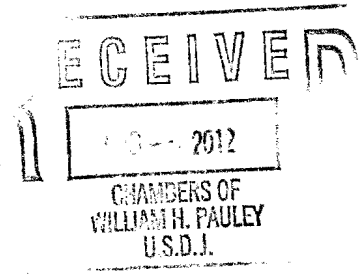
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August 3, 2012

VIA REGULAR MAIL AND E-MAIL

Hon. William H. Pauley, III
United States District Judge
Southern District of New York
500 Pearl Street
Room 2210
New York, New York 10007



Re: United States v. Daugerdas, et al., No. S3 09 Cr. 581 (WHP)

Dear Judge Pauley:

We write in response to Your Honor's suggestion during the telephone conference today in the above-referenced matter that, should defendant Denis Field qualify for the appointment of CJA counsel, Your Honor is of a mind to appoint Sharon McCarthy of this firm as CJA counsel for Mr. Field.

We respectfully ask that the Court not appoint Ms. McCarthy. The firm's unpaid fees in connection with its representation of Mr. Field in this matter amount to over \$1.5 million, which is a huge burden for a small firm already to have borne. (We currently have eight partners, four active of counsel, and five associates.) A CJA attorney's hourly rate of \$125 is less than a fifth of Ms. McCarthy's usual rate of \$650 per hour. Our Firm's hourly rates are based on the Firm's needs with respect to paying associates' salaries, rent, and our very substantial operating expenses. Each partner of the Firm (there were seven partners last year when this case was tried) has had to support the loss already incurred in this matter, for an average loss of over \$200,000 per partner. To have to support another lengthy trial at less than a fifth of our hourly rates would impose a tremendous financial burden on the Firm.

Our Firm is cognizant of its professional obligation to perform *pro bono* services. Currently, two of our eight partners are on the CJA panel, and they are presently representing seven different defendants, including one in a 50-defendant RICO case before Judge Engelmayer. In addition, five attorneys represent low income taxpayers in the New York University School of Law "Low Income Taxpayers' Clinic," and we regularly participate in the New York County Lawyers Association's "Tax Court Pro Se Calendar Call." Both of these latter activities are undertaken without any remuneration. Indeed, the Tax Section of the

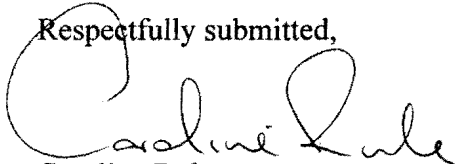
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American Bar Association recently commended our Firm for its *pro bono* activities. If this Court grants our request that Ms. McCarthy not be appointed to retry this matter, we will, without compensation, live up to our professional responsibility to make sure that transition to new counsel is as quick and easy as possible. Of course, new counsel will be greatly aided by the transcript of the first trial.

For these reasons, we respectfully request that, should Mr. Field qualify for CJA counsel, this Firm be relieved as counsel for Mr. Field, and that the Court look to other CJA counsel to represent Mr. Field going forward. Our representation of Mr. Field has already resulted in a very onerous financial burden to this Firm, and we are unable to bear the additional significant loss of having to put in the many hours that it will require to retry this case at a rate so far below our costs.

Thank you in advance for your consideration.

Respectfully submitted,



Caroline Rule

cc: (by e-mail)
All Counsel of Record
Denis M. Field